



NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY
WESTERN DISTRICT OF MISSOURI

TODD P. GRAVES

Contact Don Ledford, Public Affairs • (816) 426-4220 • 400 East Ninth Street, Room 5510 • Kansas City, MO 64106

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FOR IMMEDIATE RELEASE

FORMER IRS EMPLOYEE, KC MAN INDICTED FOR STEALING CHECKS

KANSAS CITY, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a former employee of the Internal Revenue Service and a former Kansas City, Mo., man were indicted by a federal grand jury today for stealing refund checks that had been returned by taxpayers to the IRS.

Carolyn R. Harris, 37, and **Arthur D. Shelton**, 43, both of Arizona and formerly of the Kansas City, Mo., area, were charged in a six-count indictment returned by a federal grand jury in Kansas City. **Harris** was formerly employed with the IRS, most recently as the manager of the Refund Inquiry Unit (now based in Overland Park, Kan.) until she resigned from the IRS in June 2004.

Count One of the federal indictment alleges that, from Nov. 19, 2001, to March 1, 2002, **Harris** stole seven U.S. Treasury refund checks, totaling \$22,391, which had been returned by taxpayers to the IRS.

Count Two of the federal indictment alleges that, from Feb. 1 to March 1, 2002, **Shelton** received and concealed those seven checks, which he received from **Harris**, knowing that they were stolen.

Counts Three, Four and Five of the federal indictment allege three separate instances of unauthorized computer access. According to the indictment, as a result of an audit of the Integrated Data Retrieval System – the IRS computer system that contains taxpayer account information – the IRS determined that **Harris** made unauthorized accesses involving the accounts of taxpayers. On May 1, 1999, **Harris** allegedly accessed the IDRS to obtain information from the taxpayer account of her brother. On Feb. 1, 2001, **Harris** allegedly accessed the IDRS to obtain information from the taxpayer account of **Shelton's** ex-wife. On May 11, 2002, **Harris** allegedly accessed the IDRS to obtain information from **Shelton's**

taxpayer account.

Count Six of the federal indictment alleges that **Harris** embezzled from Coventry Health Care, her health insurance carrier, by adding **Shelton** to her policy as her spouse, when in fact he was not her spouse. As a result, multiple claims totaling \$2,641 were filed with Coventry Health Care for services provided to **Shelton**, of which Coventry paid \$1,070 to the providers of those services.

Graves cautioned that the charges contained in the indictment are simply accusations, and not evidence of guilt. Evidence supporting the charges must be presented to a federal trial jury, whose duty is to determine guilt or innocence.

This case is being prosecuted by Assistant U.S. Attorney Frances Reddis. It was investigated by Treasury Inspector General for Tax Administration, Department of Treasury.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at
www.usdoj.gov/usao/mow/index.html